

**MINUTES OF REGULAR MEETING - VIDEO
OPEN SESSION
March 26, 2015
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, March 26, 2015 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 5th floor at 160 N. LaSalle at the Michael J. Bilandic Building, Chicago, Illinois. The Open Session on Video Gaming started at approximately 10:50 A.M. Present were Chairman Don Tracy, Members Lee Gould and Tom Dunn.

APPROVAL OF MINUTES – Open Session

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of November 20, 2015**. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT –

Administrator Ostrowski stated that there are 19,182 machines running at 4,675 locations. The equivalent to positions at 16 casinos. 65% of local municipal governments allow video gaming. In 2014, 1,475 applications have been processed with 2,694 renewals and 131 denials. We issued 41 Disciplinary Complaints along with completing 4,042 investigations. The State's share of tax revenue totaled at \$197M.

PUBLIC COMMENTARY

- Michael Gelatka, President of the Illinois Gaming Machine Operators Association Introduced himself and explained the Association purpose.
- Tommie Wofford, Illinois Association of Licensed Terminal Operators Introduced himself and reviewed the Association's purpose.
- Matt Hortenstine, Lucy's Place, LLC discussed Player's Rewards Program
- Linda Arnold & Sandra Rennie
Concerns of video gaming entering their community in residential areas. Expressed a need for more strict guidelines for video operations.

DISCUSSION OF PENDING VIDEO GAMING LEGISLATION

Caleb Melamed our Legislative Liaison presented the following remarks:

The following items of video gaming legislation have passed out of the Executive Committee of the Illinois House and Senate.

House Bill 259 (Rep. Sosnowski): Gives municipalities and counties authority to restrict the maximum total numbers of VGTs within their boundaries and limit them to specified locations of the municipality's choosing, without banning them outright. Without legislation, this is currently a legal gray area currently being litigated—the Act allows local governments to allow or prohibit video gaming but says nothing about local restrictions short of prohibition.

Senate Bill 655 (Sen. Link): Provides that a first conviction for driving under the influence under the Illinois Vehicle Code is not considered a subsequent conviction under certain licensure provisions of the Act concerning disqualifying criminal convictions if the conviction was more than 10 years prior to his or her application for a license to operate a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment under the Video Gaming Act.

Senate Bill 1400 (Sen. Munoz): Provides that so-called “electronic sweepstakes” machines are illegal gambling devices whose possession or use is a Class 4 felony. The bill amends the Gambling Article (Article 28) of the Illinois Criminal Code of 2012 [720 ILCS 5/28]. Electronic sweepstakes machines offer a nearly worthless coupon or prize in exchange for a payment entering the player into a sweepstakes or similar competition. Each payment represents another sweepstakes entry. Play on these machines has all of the legal attributes of gambling (consideration, chance, and prize), but their manufacturers and distributors assert that they are not gambling devices because of the coupons or prizes offered. In state after state, these machines have been declared illegal. Unlike video gaming terminals, electronic sweepstakes machines are completely unregulated and do not pay a share of their wagering revenues to the State. The Illinois Gaming Machines Association is the initiator of this legislation. An identical piece of legislation, *House Bill 3339 (Rita)*, remains in the House Revenue Committee.

The following items of legislation, classified by subject area, remain in committee. Even though the deadlines for committee consideration have passed, the contents of these items of legislation could be added as amendments to one of the numerous gaming “shells” introduced in both Houses.

More video gaming terminals in truck stops: *Senate Bill 746 (Sen. Syverson)* allows licensed truck stops to house up to 10 video gaming terminals (“VGTs”), instead of the current 5, if they are located within 3 miles of a freeway interchange and sell as least 50,000 gallons of diesel or biodiesel fuel per month. Although limited in scope, *SB 746* could serve as a precedent for other categories of location licensees to request legislation authorizing higher maximum numbers of VGTs.

Limits on the further expansion of video gaming: Bills on this topic have drawn considerable interest in the General Assembly. Besides *House Bill 259 (Sosnowski)*, additional bills on this topic are the following:

House Bill 1396 (Rep. Thaddeus Jones) prohibits licensed establishments from being located within 100 feet of a grocery store or day care facility.

House Bill 2545 (Rep. Moylan) prohibits the operation of gaming positions (including both casino and video gaming positions) in any portion of the City of Chicago which is within a 20-

mile radius of the Rivers Casino in Des Plaines. The 20-mile radius encompasses downtown Chicago but apparently falls short of McCormick Place. This bill would have no immediate impact, as there is no casino in Chicago and the city prohibits video gaming.

Senate Bill 746 (Sen. Syverson) requires all licensed establishments to derive a minimum of 15% of their total revenue from the sale of alcoholic liquor. This requirement will begin to apply 3 years after the bill's effective date.

Senate Bill 1794 (Sen. LaHood) and *Amendment 1 to Senate Bill 1795 (LaHood—not adopted)* require new licensees to earn at least 80% of revenues, and renewed licensees to earn at least 50% of their revenues, from food and beverage sales. *SB 1794* also allows local governments to establish separate classifications of liquor licenses, with only certain classifications eligible to become video gaming locations.

Senate Bill 1723 (Sen. Rose) tightens the definition of “licensed truck stop” under the Video Gaming Act to prevent facilities which are really gas stations from qualifying as truck stops. The bill provides that, in order to qualify as a licensed truck stop, an applicant must meet at least 4 of the following 7 new requirements not found in current law:

- Sale of at least 50,000 gallons of diesel or biodiesel fuel per month (up from 10,000);
- Separate truckers’ television lounge;
- Full-service laundry facility;
- Private showers for men and women;
- A convenience store with truckers’ supplies;
- Truck scales;
- Separate truckers’ telephones; and
- Permanent storage facilities for fuel.

New restrictions on video gaming play:

Senate Bill 1794 (Sen LaHood) and *Amendment 1 to Senate Bill 1796 (LaHood—not adopted)* prohibit terminal operators from allowing their employees, associated licensees, affiliates, agents, and persons with substantial influence from playing video gaming terminals (“VGTs”) that the terminal operator owns, services or maintains. The bill also prohibits video gaming play by licensed terminal handlers and licensed technicians on VGTs which they have serviced in the past year or may service in the following year. In addition, this legislation requires that in any location where minors are admitted, the video gaming area must be separated by a partition at least 5-feet high (current law requires a roped-off area). The legislation also requires locations to post signs that minors are prohibited from play.

Exclusion lists for video gaming: *Senate Bill 1794 (Sen. LaHood)* establishes both an *involuntary exclusion list* and a *self-exclusion list* for video gaming. *Amendment 1 to Senate Bill 1796 (LaHood—not adopted)* establishes an involuntary exclusion list but not a self-exclusion list. The involuntary exclusion list under both pieces of legislation will contain the same names currently on the involuntary exclusion list for riverboat gambling (currently, 21 names) with the possibility of future additions and deletions. The Board can place additional persons on the involuntary exclusion list for the same reasons that individuals can currently be placed on the riverboat gambling exclusion list, namely: 1) conviction of a felony, gaming offense, or crime of moral turpitude; 2) violation of the Video Gaming Act or Riverboat Gambling Act, their rules or IGB final orders; 3) notorious or unsavory reputation; or 4) name on any valid exclusion list of another jurisdiction in the United States.

The self-exclusion list for video gaming provided by *SB 1794* will contain the same names as those on the self-exclusion list for riverboat gambling (currently over 10,000 individuals). Persons on this list have self-excluded in response to a gambling problem. Licensed locations will have a duty to bar self-excluded persons from video gaming play, exclude them from all advertising or promotional distributions, and keep their identities confidential.

In 2014, the Illinois Gaming Board initiated legislation (*Senate Bill 2797--Sen. Silverstein-Delgado/Rep. Drury—98th General Assembly*) establishing an involuntary exclusion list for video gaming. *SB 2797* passed the Senate unanimously but lost on the House floor.

Longer video gaming license renewals: *House Bill 3417 (Rep. Turner) and House Bill 3418 (Rep. Turner)* authorize the renewal of video gaming licenses for up to 4 years, by analogy with the Riverboat Gambling Act. At present, all video gaming licenses are renewable annually.

Release of performance information by the Central Communications System (“CCS”) vendor: *House Bill 3418 (Rep. Turner)* authorizes release of performance information by the CCS vendor (currently Scientific Games, Inc.) to licensed manufacturers when the information is related to their respective video gaming terminals. This legislation will allow Scientific Games to share performance information with its two video gaming manufacturing subsidiaries, WMS Industries and Bally’s. The IGB is adopting a rulemaking containing the same provision.

Signage requirements: *Senate Bill 1794 (Sen. LaHood) and Amendment 1 to Senate Bill 1796 (LaHood—not adopted)* requires video gaming locations to post signs at all entrances and exits to the location as well as the gaming area itself, informing patrons how to seek assistance with gambling problems. In addition, locations would be required to post signs notifying persons under age 21 that they are prohibited from video gaming terminal play.

Check cashing restrictions: *Senate Bill 1794 (Sen. LaHood) and Amendment 1 to Senate Bill 1796 (LaHood—not adopted)* would place restrictions on the cashing of checks by licensed locations which are analogous to those currently in force in riverboat casinos.

MANUFACTURER, DISTRIBUTOR & SUPPLIER LICENSEE ITEMS

- AGS Illinois, LLLP
Based on staff's investigation, Member Dunn moved **to renew the Manufacturer, Distributor and Supplier Licenses of AGS Illinois, LLLP** retroactive to January 2015 for a period of one year, expiring in January 2016. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Ares Gaming Technologies, Inc. and Patriot Gaming & Electronics, Inc.
Based on staff's investigation, Member Gould moved **to renew the Supplier Licenses of Ares Gaming Technologies, Inc. and Patriot Gaming & Electronics, Inc.** retroactive to February 2015 for a period of one year, expiring in February 2016. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Chicago Gaming Company
Based on staff's investigation, Member Dunn moved **to renew the Manufacturer and Distributor Licenses of Chicago Gaming Company** effective March 26, 2015 for a period of one year, expiring in March 2016. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

TERMINAL OPERATOR LICENSEE ITEMS

- Initial License Applications
Based on staff's investigation, Member Gould moved **to approve Ashiq Gaming, LLC; Dragonfly Gaming, LLC and Mississippi Gaming & Amusements, LLC** for Terminal Operator licenses effective March 26, 2015 for a period of one year, expiring in March 2016. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- T's Gaming, LLC
Based on staff's investigation, Member Dunn moved **to renew the Terminal Operator License of T's Gaming, LLC** retroactive to April 2014 for a period of one year, expiring in April 2015. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Renewals Retroactive to January 2015
Based on staff's investigation, Member Gould moved **to renew the Terminal Operator Licenses of Andy's Video Gaming Co.; Holl Gaming LLC; Illinois Video Slot Management Corp.; J&J Ventures Gaming, LLC; JHey Enterprises, LLC; Midwest SRO, LLC; Quad Gaming, Inc.; TAV Gaming Inc.** retroactive to January 2015 for a period of one year, expiring in January 2016. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Renewals Retroactive to February 2015
Based on staff's investigation, Member Dunn moved **to renew the Terminal Operator Licenses of American Video Gaming, LLC; Allied Gaming, LLC; Awesome Hand Services, LLC; Gold Rush Amusements, Inc.; Lattner**

Entertainment Group Illinois, LLC; Melody Gaming, LLC; Morris Gaming, Inc.; Renville Gaming, LLC; Skyhigh Gaming, LLC; Slot Kings Gaming, LLC; Triple 7 Illinois, LLC; VIC Entertainment, LLC retroactive to February 2015 for a period of one year, expiring in February 2016. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Renewals Effective March 2015

Based on staff's investigation, Member Gould moved **to renew the Terminal Operator Licenses of Abraham Gaming, LLC; Accel Entertainment Gaming, LLC; Arkadian Gaming, LLC; B&B Amusement of Illinois, LLC; Compact Disc Amusements, Limited; Emperor Video Slots Corporation; Fair Share Gaming, LLC; Illinois Video Gaming, Inc.; Leisure Time Gaming & Amusements, Inc.; Tower Gaming, LLC; WAMI Gaming, LLC; Windy City Gaming LLC** effective March 26, 2015 for a period of one year, expiring in March 2016. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

TECHNICIAN & TERMINAL HANDLER LICENSEE ITEMS

Based on staff's investigation, Member Dunn moved **to approve 3 Technician Licenses, 126 Terminal Handler Licenses and issue notices of denial to Brian Keith Criscola, Joshua Michael Horn, Katrina Henry, Kendrix Williams, Robert Bassett, Justin Schroeder, Anthony Bradley and Dennis Greco.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Anthony Donley:

Based on staff's investigation, Member Gould moved **to issue a Terminal Handler license to Anthony Donley** effective March 26, 2015 for a period of one year, expiring in March 2016. Chairman Tracy seconded the motion. Member Dunn voted no. The motion did not pass.

VIDEO GAMING LOCATION LICENSEE ITEMS

- Video Gaming Location License Approvals:

Based on staff's investigation, Member Dunn **moved to approve 218 Video Gaming Location Licenses.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Aper Property Management LLLP d/b/a 217 Roadhouse

Based on information presented by the applicant, Member Gould moved **to rescind the November 20, 2014 denial of Aper Property Management LLLP d/b/a 217 Roadhouse and return the applicant to pending status.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

- Video Gaming Location License Denials:

Based on staff's investigation, Member Dunn **moved to issue notices of denial to the following video gaming location license applicants:**

- Elise L. Smith

- Local 37, Inc.
- B&U Management, Inc.
- Fraternal Order of Eagles, Decatur Aerie #507
- MAA Corporation
- CPROK LLC
- 2James LLC
- Lenny's Food N Fuel, LLC
- CRGM Inc.
- El Indio Azteca Corp.
- Gd & Ad, Inc.
- Main St Pub Company
- Sherry Owens
- Vonch, LLC

Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE REQUESTS FOR HEARING & REQUESTS TO REAPPLY

- Requests for Hearing
Based on staff's investigation, Member Gould moved **to deny the request for hearing from Aper Property Management LLLP as moot; and grant the request for hearing from GCI Consolidated, LLC.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Requests to Reapply
Based on staff's investigation, Member Dunn moved **to grant the requests to reapply from Green's Tap, Inc.; Las Palmas Nightclub, Incorporated; JAGJITA Corp.; Dragon Place, Inc.; G&G Pantry Inc.; Suketu Trivedi Inc.; Shelby's DeKalb, LLC; and Peoria Speakeasy, Inc.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

DISCIPLINARY ACTIONS

- Terminal Handler & Technician Fines
Based on staff's investigation, Member Gould moved **to issue Disciplinary Complaints revoking the licenses of Mario Tayupanta and Joshua Ceperich for their failure to update the Board with arrest and/or conviction information**, said actions to take effect 21 days from the dates of service of the Complaints unless fines are paid or Answers are properly filed within that timeframe. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Carlos Dominguez
Based on staff's investigation, Member Dunn moved **to issue a Disciplinary Complaint to revoke the Terminal Handler license of Carlos Dominguez for his admitted theft of cash from a video gaming collection route**, said action to take effect 21 days from the date of service of the Complaint unless an Answer is properly filed within that timeframe. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Gambling Violations
Based on staff's investigation, Member Gould moved **to issue Disciplinary Complaints revoking the licenses of Ted Miller; Keyesport Memorial Post No. 1994 American Legion; American Legion, East Alton Post #794; Loyal Order of Moose Vandalia Lodge No. 1447; and Caddyshack Saloon Inc. for their conduct in allowing illegal gambling in their establishments**, said actions to take effect 21 days from the dates of service of the Complaints unless \$5,000.00 fines are paid or Answers are properly filed within that timeframe. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Wood River VFW Post 2859
Based on staff's investigation, Member Dunn moved **to issue a Disciplinary Complaint revoking the license of Wood River VFW Post 2859 for its conduct in allowing illegal gambling in its establishment**, said action to take effect 21 days from the date of service of the Complaint unless a \$7,500.00 fine is paid or an Answer is properly filed within that timeframe. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Undisclosed Change in Ownership
Based on staff's investigation, Member Gould moved **to issue Disciplinary Complaints revoking the licenses of Bombdigity Bar & Grill, LLC and Lucky Corner Café, Inc. for their failure to disclose changes in ownership to the Board**, said actions to take effect 21 days from the dates of service of the Complaints unless \$1,500.00 fines are paid or Answers are properly filed within that timeframe. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Kahokian Memorial Post 5691, VFW
Based on staff's investigation, Member Dunn moved **to issue a Disciplinary Complaint revoking the license of the Kahokian Memorial Post 5691, VFW, for its failure to disclose a change in leadership to the Board**, said action to take effect 21 days from the date of service of the Complaint unless a \$1,000.00 fine is paid or an Answer is properly filed within that timeframe. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Failure to Notify the Board of a Suspension of a Liquor License
Based on staff's investigation, Member Gould moved **to issue Disciplinary Complaints revoking the licenses of Lake Westside, Inc. and The E Company of Donnellson for allowing video gaming terminal play while their liquor licenses had been suspended**, said actions to take effect 21 days from the dates of service of the Complaints unless \$1,500.00 fines are paid or Answers are properly filed within that timeframe. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

- Veronica D. Quinn Bolden

Based on staff's investigation, Member Dunn moved **to issue a Disciplinary Complaint revoking the license of Veronica D. Quinn Bolden for its failure to maintain a liquor license**, said action to take effect 21 days from the date of service of the Complaint unless an Answer is properly filed within that timeframe. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

At 10:49 A.M. Member Dunn motioned to adjourn and Member Gould seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator